

August 3, 2011

To: Inspector General, Department of Defense

Subject: Hotline Complaint: Dr. Clifford L. Stanley, Under Secretary of Defense for Personnel and Readiness

This complaint is submitted concerning illegal activity and other harmful actions committed by Dr. Clifford Stanley and Ms. Lynn Simpson that have negatively affected our Wounded Warriors.

The attachment is self-explanatory, and has been provided to Congress, as permitted by the law, in order to report illegal and other inappropriate activity.

We wish that this complaint could be signed. It cannot because Dr. Stanley would without question seek reprisal. However, by placing personnel from the Wounded Warrior Office under oath (and others) you will be able to quickly substantiate our complaint.

We are aware of several similar complaints concerning Dr. Stanley, including one that was also provided by a group of SES's to the committee Congressman Chaffetz chairs (House Subcommittee on National Security Homeland Defense and Foreign Operations). We desire to endorse and reinforce that complaint.

Some Members of the OSD Wounded Warrior team, and some who work with them.

Complaint Attached

August 3, 2011

Dear Congressman Chaffetz , and  
members of the Subcommittee on National Security, Homeland Defense and Foreign  
Operations:

This letter is from some members of the Department of Defense Wounded Warrior team, and those who work closely with them, inside and outside OSD.

This letter is anonymous for fear of predictable reprisal to some, in spite of the statutory right to point out mismanagement and illegal conduct to the Congress.

We watched your 4 May hearing with great interest, but we were disappointed in the outcome. While we cannot speak with authority concerning the VA, we can concerning DoD efforts in support of our Wounded Warriors. We are also aware that you have received a previous letter from SES's on this subject. We want to endorse their message.

As we understand it, you called for a hearing to examine, among other things, why Disability Evaluation System processing time has gone from 291 days (May 2010) to 404 days (June 2011). This means that because of Dr. Stanley's disruptive leadership and siphoning funds for other purposes, a Wounded Warrior who lost a leg or his eyesight is now languishing in a Warrior Transition Unit this year for an additional 100 days! This fact pains us enormously. We want to do something about it, but need your help.

You ended the hearing by thanking Ms. Lynn Simpson for her hard work and dedication, but that you needed to get the real responsible official (DepSecDef Lynn) to testify. We think you are mistaken. Secretary Lynn has been very supportive of our troops, but has repeatedly voiced his frustration with the ineffectiveness of P&R under Dr. Stanley's leadership.

Ms. Simpson and her boss Dr. Clifford Stanley, Under Secretary for Defense for Personnel and Readiness, are the two you should hold accountable.

Ms. Simpson has been the Chairperson of the DoD's Wounded Warrior Overarching Integrated Product Team (OIPT), which coordinates and vets everything that goes to the USD (P&R) and the Deputy Secretary of Defense concerning Wounded Warriors. The increase in processing time has of course been a huge topic in the OIPT she has led. Additionally, in her role as Dr. Stanley's Chief of Staff she is involved in all priority issues. Of course, in the 2 May 2011 meeting between the Secretaries of Defense and the VA concerning Wounded Warrior matters it was a central issue; Ms Simpson implied to you 4 May she was not familiar with the meeting; this was not the case at all. She also stated that she was unaware that Disability Processing time had dramatically increased.

We believe Ms. Simpson lied to you under oath 4 May, a criminal offense.

Moreover, during your May 4th hearing Ms. Simpson repeatedly stated that she was unaware of the delays for processing disability claims, voicing surprise that they had radically increased. But she had just been fully briefed on this problem; it was known by all that the hearing would focus on this troubling fact.

And, as Ms. Simpson had been the chair of the OIPT that vets Wounded Warrior related issues (certainly including the all important one of disability processing time) to the DepSecDef, it is simply not credible that she was unaware of the increased processing time. This has been a huge topic in the OIPT she led, in addition to numerous other forums Ms. Simpson has participated in. In fact, as Ms. Simpson knows well, the Army is so frustrated with P&R's lack of leadership and the increase in processing time that it has developed its own Disability Evaluation System proposal.

Until Dr. Stanley elevated Ms. Simpson to her current lofty position she was merely the P&R administrative officer (and the most junior SES), so she does lack experience and perspective, but she should still tell the truth under oath. Dr. Stanley reportedly values her because she will unquestioningly do his bidding; questions of the law, ethics or morality notwithstanding.

Dr. Stanley, actively aided by Ms. Simpson, has done much to destroy the effectiveness of the Wounded Warrior office; it is not surprising our efforts are failing. Unless something changes they will get worse.

We believe you should hold a public hearing as soon as possible, directing Dr. Stanley to testify under oath concerning not only P&R plans to improve our unsatisfactory performance in the Wounded Warrior area, but also about his harmful actions to his Wounded Warrior Office. We want to do the best job possible, but Dr. Stanley and Ms. Simpson have made that impossible.

If you do hold a hearing, the following are examples of the issues we think you should explore:

- Dr. Stanley removed the highly qualified Wounded Warrior Deputy Director in order to make room for a former Marine Corps friend who was not remotely qualified. This is made worse by the fact that the non-competitive hire of this crony from outside the department was illegal. Ms. Simpson facilitated this crime. In fact the person now holding this position has boasted that he owes his position "to my Marine Corps connection". While the illegal hire would have been wrong in any circumstance, the fact that it was made at the direction of the individual (i.e. Dr. Stanley) in the Department specifically charged with ensuring Civil Service laws and our Merit System Principles are enforced throughout the Department makes it even more egregious (like the Director of the IRS cheating on his taxes). Our former Deputy Director was making a huge positive difference; the big increase in processing time dates from that competent individual's illegal replacement by Dr. Stanley's crony.
- While slashing the Wounded Warrior Budget by \$11M, Dr. Stanley directed the Wounded Warrior office to pay \$2.7M for the expensive and wasteful services of McKinsey and Company for things that were (1) of no value, (2) in some respects illegal, and (3) not related to Wounded Warrior. (FYI this is the subject of at least three separate DoD IG complaints against Dr. Stanley).
- In addition to the McKinsey services, Dr. Stanley directed that the Wounded Warrior office also pay for part of the unnecessary and sumptuous conference room he had constructed. The Wounded Warrior "contribution" to the conference room was almost \$500,000 for incredibly extravagant (and totally unnecessary) audio visual equipment. This waste is also the subject of a number of IG complaints against Dr. Stanley.
- Note: the total amount (\$3.2M) the Wounded Warrior Office had to pay for the two wasteful items above could have instead been used instead to pay for about 30 Recovery Care Coordinators, who could have made the lives of about 1,200 wounded soldiers and their families so much better.

- While the Wounded Warrior office was wasting money on McKinsey and Company and helping pay for an unnecessary conference room, Dr. Stanley cut the Wounded Warrior funds used to pay for the Wounded Warrior Re-conditioning Program – “The Warrior Games”, which allow injured troops to reestablish their self-esteem and a sense of confidence in their physical abilities as they transition to civilian life. So, these heroes really paid for the soft chairs and \$30,000 of wall décor (and a lot more) so Dr. Stanley could hold his morning staff meetings in luxury.
- Ms. Simpson directed that the Wounded Warrior office hire as an expensive contractor a former Marine Corps friend of Dr. Stanley’s who needed a job. He is now on the payroll, and is of no value. He makes it clear through his numerous references to his friend “Cliff” that we are stuck with him. We need the money elsewhere. In fact, had this money not been diverted, some had proposed to use it to strengthen the Caregiver Program, establishing Department-wide oversight and direction. Sadly, there has been little done to give these caregivers a voice in the Department; and the benefit authorized by Congress over a year ago has not been paid to a single family member acting in a defined non-medical attendant capacity.

The DoD IG has a number of complaints against Dr. Stanley, who has destroyed the mission effectiveness of P&R. We will add this letter to them, requesting that the IG specifically investigate his actions (some clearly illegal) that have degraded our ability to assist Wounded Warriors. However, the IG takes many months, and sometimes years. Our Wounded Warriors cannot wait.

Can you help?

Copy to:

Congressman John F. Tierney  
Congressman Raul Labrador  
Congressman Dan Burton  
Congressman John L. Mica  
Congressman Todd Russell Platts  
Congressman Michael R. Turner  
Congressman Paul A. Gosar  
Congressman Blake Farenholt  
Congressman Brice Braley  
Congressman Peter Welch  
Congressman John Yarmuth  
Congressman Stephen F. Lynch  
Congressman Mike Quigley

11 July 2011

To: The Inspector General, Department of Defense

Subject: Hotline Complaint concerning Dr. Clifford L. Stanley, Under Secretary of Defense for Personnel and Readiness

This complaint is submitted by government civil servants (SES and GS grades) and military personnel. The attachment is the result of our collaboration.

The attached provides documentation concerning the unfitness of Dr. Stanley.

- He is incompetent.
- He has created a dysfunctional command marked by fear and mistrust through a capricious, tyrannical and arbitrary leadership. Waste, fraud and abuse of power are rampant. Even if he were competent, his destructive leadership would assure "P&R" mission failure.

This complaint is anonymous. Dr. Stanley has demonstrated that he is vindictive against those who merely offer contrary opinions. The reprisals he would carry out against those who lodged a complaint would be severe.

We recommend that you swiftly investigate the attached. Initial actions should include:

- Interviewing under oath: all who have served as SES's in OUSD(P&R) since 16 February 2010; key General Schedule/Military Personnel; others as determined by initial findings.
- Obtaining a copy of the Command Climate Survey described in the attached (whose release was not permitted by Dr. Stanley).
- Conducting a Command Climate Survey now.

The Office of the Under Secretary of Defense for Personnel & Readiness is failing badly in critical responsibilities. Those who actively abetted and assisted in the unethical and illegal actions that created the current climate of fear should also be held accountable.

Dr. Stanley's incompetence and tyrannical leadership are common knowledge throughout the Department. The highest leadership must have been aware of his troubling tenure. The failure of our leadership to act upon their responsibilities leaves us with no choice but to lodge this complaint.

Civilian Public Servants and Military Members

Attachment

**Dr. Clifford Stanley, Under Secretary of Defense for Personnel and Readiness**

Issue: Dr. Clifford Stanley is severely degrading the Department's mission in time of war. His incompetence is compounded by a capricious and arbitrary leadership, marked by Waste, Fraud and the Abuse of Power.

Background:

The organization itself is approaching total dysfunctionality for two reasons:

- His harmful leadership has destroyed the morale and effectiveness of the Office of the Under Secretary of Defense for Personnel & Readiness (OUSD(P&R)). Among other things, he has decimated the leadership core of P&R. Our best people (many recipients or nominees for Presidential Rank awards) have been forced to leave, typically with no explanation. While the number increases almost weekly, 30 members of the SES have been fired; forced to retire or resign; detailed involuntarily; or marginalized in other ways. Those who remain do so in an atmosphere of fear and harmful uncertainty. This has cascaded downward to the entire staff of dedicated public servants.
- The personal assistants Dr. Stanley has chosen have compounded his incompetence, and have become the instruments of his destructive leadership. Remarkably unqualified, they simply acquiesce to Dr. Stanley's will, never raising a contrary opinion in areas of his responsibility, or questioning his personnel related actions on legal, ethical or other grounds.

The following are a few examples that document his unfitness. They are merely illustrative.

**A. Lack of Competence.** Dr. Stanley lacks the fundamental knowledge required to perform his duties. Examples:

- He has acknowledged on several occasions that he does not understand the difference between the Authorization Act and the Appropriations Act—while this may have been remediated since then, finally acquiring this basic information does not remotely mean he possesses the ability to conduct complex discussions with the Congress/OMB, or provide direction and leadership to the far ranging P&R enterprise.

- After being in office for over a month he asked what the responsibilities and differences were for and between OMB and OPM – he said he was “not sure what they did”, and got them “mixed up all the time”. Among other things he is charged with aligning civilian personnel statutes, policies and plans to ensure that the contributions of government civilians are maximized; for him to not understand the mission of OPM before assuming his duties is incomprehensible. Similarly, a comprehensive understanding of the various critical roles of OMB would be a necessary prerequisite for his duties (while his knowledge of OMB and OPM have surely improved, the tardy acquisition of a rudimentary frame of reference does not mean that he is now armed with the mature perspective and understanding an Under Secretary must have).
- Does not know fundamental responsibilities. The most challenging aspect of today’s Total Force Management is providing governance to unsustainable contracting costs. 4 May 2011 Senator Webb (SASC Personnel Sub-Committee hearing) asked him what he planned to do in this critical area. He replied (incorrectly) that the USD(P&R) had no relevant responsibilities. When after the hearing he was told by an individual (who was leaving OUSD (P&R) and “had nothing to lose”) that he had answered the question incorrectly, Dr. Stanley stated that someone should have informed him that he did have responsibilities in this area. He was then informed that this information was in the pre-testimony statement he had provided to the Committee. His response indicated that he had apparently not read, remembered, or understood it. However, his responsibilities in this area had been conveyed to him on many other occasions.
- Publically assures staff not worry about performing mission with reduced resources. He was asked at a public forum (P&R All Hands – 30 June 2010) how he planned to provide direction to the staff so that, despite downward fiscal pressure, acceptable support could be provided to families of service members. His astonishing public reply was, “don’t worry about money. I’m finding little pots of it all the time”. As his subordinate’s thoughtful question reflected one of the single greatest concerns of Secretary Gates (and of Dr. Stanley’s own staff), confidence in his ability declined further.
- Confidence in Dr. Stanley continues to erode as he orders the destruction of all records related to his public statements at All Hands Meeting. When asked at another P&R All Hands (8 Feb 11) basic questions concerning the status of the ongoing authorization and appropriations processes (which greatly concerned his staff), he simply could not answer them. While both P&R All Hands Meetings were to be available on the P&R public site, that never

happened – reportedly as a result of his demonstrable lack of knowledge concerning his duties, and because of insensitive remarks. Moreover, in the 8 Feb 11 All Hands meeting he referred to individuals with Down's Syndrome as being afflicted with "mongoloidism", a remark that was predictably offensive to many. When he met with some of those who were offended, he berated them for their lack of sensitivity toward him and told them to "adjust your sensitivities". He directed his staff to destroy all electronic copies of the meeting.

- Others are stepping in to conduct P&R job, which will be harmful. Because he is held in low regard throughout the Department, others are stepping in to fill his "vacuum of leadership". This is not good; these offices will not share USD (P&R)'s responsibilities with regard to the long term welfare of the All Volunteer Force. Others possess a more short term and fiscally orientated focus. A few examples:

- o Without even consulting Dr. Stanley (or his staff), the Director, Cost Assessment and Program Evaluation (CAPE) announced that she would be visiting military bases to assess Family Support sufficiency, to include conducting "Town Hall meetings" with spouses; when his staff requested that a P&R rep be permitted to at least accompany the CAPE staff, she was told that even that degree of P&R participation might be unwelcome. When informed that the D, CAPE was making plans to involve herself in an area of his specifically assigned DoD responsibilities (DoDD 5124.02), Dr. Stanley simply acquiesced stating that he could not get useful information from his own staff (his staff has repeatedly attempted to provide him with information and recommendations in this area; Dr. Stanley would not see them) . The perception of having the premier "cost-cutter" in the Pentagon lead this effort seemed not to bother him, nor the reality that cutting costs would likely be her first priority, family support her second.
- o The USD(C) has taken the leading role for Health Care Reform, and more recently Active Duty Compensation Reform, despite the USD(P&R)'s statutory and Principal Staff Assistant (PSA) responsibilities in these areas. His attempts to make Dr. Stanley play a leading role have failed; therefore, he has simply assumed leadership. This is unfortunate. The Comptroller's focus and equities are not the same as the USD (P&R)'s, who must consider much more than simply reducing costs.



**B. Capricious and Arbitrary Leadership marked by Waste, Fraud and Abuse.**

**Background:**

While in the Marine Corps Dr. Stanley acquired the nickname of "The Smiling Cobra". During his command tours he reportedly caused the relief of many, included those in command themselves. It is not conceivable that the USMC promotion and command selection process would not be so defective as to warrant the relief of so many proven officers.

In the year that spanned Dr. Stanley's assumption of office, OUSD (P&R) was led by five Under Secretaries (or those acting/performing the duties). The Principal Deputy Under Secretary of Defense (PDUSD) position was vacant during this entire period (although the PDUSD did briefly act as the USD until his departure).

Shortly after assuming office Dr. Stanley stated that his goal was to comply with direction from Secretary Gates to "improve the reputation" of OUSD (P&R); his focus was on the marginal record of OUSD(P&R) in the area of overdue correspondence (a not surprising deficiency given the rapid succession of "acting" Under Secretaries, and the lack of a Principal Deputy to share the burden of office). Even so, for the entire month that preceded his appointment, P&R was leading all other OSD staff elements in this area.

The following are provided as EXAMPLES of Dr. Stanley's leadership; they are illustrative, by no means exhaustive (Dr. Stanley assumed office 2/16/2010).

- **Destroys honorable military career to make a point to his staff**  
2/22/2011: with no warning or counseling concerning any possible deficient performance, the two principal assistants to the USD and the vacant PDUSD position (a GS-15 and a Colonel (USA)) were directed to leave immediately. These individuals had won universal respect for their efforts to enable the OUSD (P&R) mission despite the turbulence and confusion which resulted from "five USD's in a year; plus no PDUSD". The colonel, former commander of the NATO Brigade, was clearly competitive for selection to general officer.....instead this ended his long career of service to the nation in humiliating embarrassment; he chose to retire.
  - o When one of Dr. Stanley's new personal assistants was asked about this unjust and unwarranted action, he made it clear that Dr. Stanley did not do it because of the performance of these two individuals, but to gain the attention of his superiors and of his staff; he was sending a

message. He did – this single act set a chilling tone, and Dr. Stanley's complete disregard for fairness and a propensity for unwarranted capricious action initiated an atmosphere of fear that still grips OUSD (P&R). As the principal officer in the Department whose duty it is to actively promote the welfare of service members, the unwarranted harm he did to a dedicated Army officer with a long and distinguished career is inexcusable.

- There is no question that Dr. Stanley has the prerogative to choose his own personal staff. It was the manner in which he summarily removed these two dedicated individuals, and the rationale provided, that make his actions so egregious; the colonel was not even his assistant, but assigned to assist the PDUSD.
- Dr. Stanley's public utterances in OUSD (P&R) staff meetings (all senior P&R leaders, plus their key assistants) instilled a climate of fear that soon pervaded the entire organization. Some examples, of many:
  - 3/17/10: ...“transparency & trust is important” ... “I can pick up when I am being played ...use the Darwinian principle and survive.....don't play me”.
  - 4/14/10: ... “diversity will be central to my time here.... part of diversity is you knowing when it is time to go (to another job)...”

“I have spent my whole life studying and assessing people, who was for and who was against me....I have to make an assessment of who is for me and who is against me...(voice rising in anger)..I have a PhD”.  
(Note: although he often implies he has a PhD, and on occasion has claimed to have one, including in correspondence with the Congress, he does not).

“I will smile at you but you wouldn't know what is behind the smile -- I'll know who is for me and against me – the smile won't mean anything, I'll know who is against me...you wouldn't know what I am really meaning” (note: USMC nickname – the “Smiling Cobra”).
  - 5/9/10: ... “eventually I will figure out who is with me, and against me.....so don't play me.....if you don't understand me, think about it and make some decisions in life.”
  - 5/24/10: ...(with anger) “I am getting push back....I want more diversity” (clearly implying that he was not happy with the current

staff "mix" ...which was remarkably diverse by virtually any reasonable measure).

- 6/2/10: ..."I know that people are concerned with change, but new senior staff is coming" (clearly implying old ones would be leaving).

- Fear was also generated through practices such as:

- Eavesdropping on the phone conversations OF HIS MOST SENIOR EXECUTIVES without their knowledge (this practice became first known when he "interjected into" a conversation one of his senior officials was having with another government agency – this was shocking to all).
- Remotely monitoring key-stroke history to ascertain if personnel were corresponding with individuals he did not wish them to.
- Other electronic forms of eavesdropping have been reported.
- The eavesdropping that Dr. Stanley has directed, and in some instances personally participated in, appear, due to their circumstances, to be in violation of both Departmental policy and the law.

- Purge of P&R's "best and brightest". In the 16 months of Dr. Stanley's tenure, 30 Senior Executives were fired, retired under duress, were reassigned to other duties in an apparent attempt to humiliate (incentivizing their departure), or otherwise left the organization due to dissatisfaction with Dr. Stanley. This has been compared to a Chinese Cultural Revolution or a Stalinist purge. Moreover, the best people (many recipients of, or nominated for Presidential Rank awards) have been forced to leave, typically with no explanation. Those who remain labor in an atmosphere of fear and harmful uncertainty, which grips the entire staff. The devastating effect this has had, not only on the personal lives of highly meritorious public servants, but to the mission effectiveness of the OUSD(P&R), cannot be overstated.

- Waste. Millions spent with no return. At an expense of \$5M, McKinsey & Company crafted a Strategic Plan for the USD, and also conducted a climate survey of OUSD(P&R).

- The strategic plan has never been released or utilized, and the fact that contractors performed this clearly inherently governmental function is a violation of the law.
- The climate survey reported that his organization (key to the welfare of uniformed personnel and their families) was beset with widespread low morale. It cited a pervasive atmosphere of fear and distrust, and leadership's failing through a lack of transparency and meaningful communications. Staff members felt they were held in disrespect, while receiving no purposeful direction.
- When asked by one of his senior subordinates if the climate survey could be shared to assist in making a more effective organization, Dr. Stanley's reply was reported as: "No. I can't help it if people are afraid".
- "Inner staff" provides no useful perspective or knowledge, while simply facilitating his harmful leadership. After only eight weeks in office Dr. Stanley (passing over those with significant experience, knowledge and perspective) chose as the "acting PDUSD" the junior SES Administrative Officer, who had been a GS-15 only a short time before. The signal was that compliant and unquestioning obedience was valued above all else. The fact that Dr. Stanley chose her to perform the duties of a "Presidential appointment with Senate confirmation" (PAS) position, a "four star" equivalent, is incomprehensible.
- Fraud: Lack of Honesty – Dr. Stanley desires to be regarded as a leader in the field of education and learning. His official biography, crafted to help convey that message, is false.
  - He often claims to have a PhD (including in public statements to staff and correspondence to Congress); he does not. Rather, he possesses an E.D.D. (Doctor of Education). This is an important distinction to those in the field of education.
  - In his official biography, he acknowledges an honorary degree from the Medical University of South Carolina. However, he falsely claims to have earned "Doctors of Law Degrees from Spalding University and South Carolina State University".
    - Neither Spalding University nor South Carolina State University has law schools.
    - In 2006, SCSU and Spalding University awarded him "honorary" "Doctor of Law" degrees, despite the absences of law schools.

- It is not conceivable that he could attribute this to an administrative oversight by a staff member; he would clearly give his public biography his closest personal attention, as evidenced by the self-serving comments immediately preceding his false assertions of academic achievement.
- Waste. While refusing to expend \$50,000 to address a compelling readiness issue for the Combatant Commanders and Military Services, deeming it "not strategic", he expended \$360,000 on a sumptuous new conference room (each chair reportedly about the annual salary of a Lance Corporal)
  - The previous conference room, which met all the needs of his predecessors, remains.
  - He displaced staff, exacerbating marginal working conditions.
  - This new conference room is used almost exclusively for his three weekly 30 minute internal staff meetings; it is not available to the larger staff as an asset.
  - This extravagance, which he reportedly stated was essential for him as an Under Secretary, was at total variance with Secretary Gates' call to combat inefficiency and waste.
- Cronyism. Because he wished to give employment to a long standing friend (who had been unemployed for two years after being fired), he detailed a high performing senior executive out of his position, and obtained a "limited term SES appointment" for his long time friend, with the ultimate aim of placing him permanently in the "vacant position" he had created. This individual often spent personal time with Dr. Stanley after working hours; he reported that he sometimes stayed in Dr. Stanley's apartment instead of a hotel when visiting Washington. This is clearly a violation of Title 5 USC, but what is more remarkable is the fact that he seemed to be utterly indifferent as to how he might be affecting a dedicated and highly effective public servant, or the mission of his office, by these acts.

Recommendations:

- (1) In view of his unfitness, marked by violations of the law and Departmental policy, swiftly facilitate Dr. Stanley's removal from office. Recommend appropriate disciplinary actions against him and those who aided and abetted him in illegal or unauthorized activities.
- (2) Request Secretary Panetta carefully select Dr. Stanley's temporary successor, and ensure that his successor's principle assistants are chosen with care. Moreover, simply removing Dr. Stanley will not solve the Department's problems in the critically important portfolio of the USD (P&R):

- Someone with perspective, knowledge and judgment must be designated until a Senate confirmed official can assume office, which would likely be long after the 2012 election.

- Moreover, the qualifications of the recently confirmed PDUSD are universally regarded as being remarkably weak, her elevation reportedly attributable to her personal relationship to Dr. Stanley when she was President of Spalding University (she awarded Dr. Stanley an honorary "Doctor of Law" degree). What she has learned from Dr. Stanley and his personal assistants is problematic; this highly intelligent individual would benefit from mature direction and mentoring.

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Note: Dr. Stanley's incompetence seems beyond dispute. Related to this it is widely known that:

- A. After he reports that he has read important material it often becomes apparent that he had not actually done so, or, if he did, he could not remember the content.
- B. He routinely denies the recollection of key events, conversations, meetings, etc.

Moreover, his short-term memory loss, apparent to many, is quite unusual and disturbing.

We are executives at the Department of Defense (DoD) and are so concerned over the state of military personnel and readiness during this time of war, we feel compelled to reach out to you and your committees. We realize that it is difficult to take action on information from anonymous letter writers, but we fear retaliation. We listened to the subcommittee hearings on May 4<sup>th</sup> and after hearing your concerns, we were spurred to write this letter. We are asking for your assistance. If reform is what you want, we suggest a major review of the management of the Office of the Under Secretary of Defense for Personnel and Readiness (P&R) under Dr. Clifford Stanley. We implore you to seek more information and make inquiries concerning the following information.

On May 4<sup>th</sup>, the House Subcommittee on Government Oversight and Reform had grave concerns about the lack of progress towards establishing electronic health records between the VA and DoD. The major reason why the DoD has not made progress on implementing an Integrated Disability Evaluation System (IDES) nor moved towards Electronic Health Records (EHR) with the Department of Veterans Affairs (VA) is because Dr. Clifford Stanley, Under Secretary of Defense for Personnel and Readiness, has decimated the leadership under his purview in the last 10 months. Twenty four, yes 24, SESs (senior executives) have been forced to retire, resign, and/or have been detailed. The knowledge of these executives who had years of experience and qualifications, has left the department in total disarray. Prior to the arrival of Dr. Stanley, there were joint DoD/VA strategic plans to complete the IDES and EHR but it was not taken into consideration by Dr. Stanley.

Let us share a specific example, the previous leadership at the Wounded Warrior Care and Transition Policy (WWCTP) Office had developed a roll out plan for IDES after a Deputy Secretary Senior Oversight Committee meeting in May 2010. This plan included a checklist for site surveys and a study to determine costs and efficiencies at each stage of the claim process. The new leadership did not follow through, which has caused much dissatisfaction and a loss of confidence among the Service branches. The dissatisfaction led to splintering, so the Army attempted to propagate its own plan with VA, bypassing the Office of the Secretary of Defense (OSD). An example how the loss of leadership impacted this disarray is an SES position filled by an experienced Army social worker who had House Veterans Affairs Committee experience was replaced by a former Acting Director of Security at BWI Airport. Furthermore, Dr. Stanley did not compete this position, one of many violations of the hiring process.

Similar occurrences have taken place with the EHR and the Interoperability Office (IPO). The goal to have a Virtual Electronic Lifetime Record (VELR) is far from a reality since there has been little accomplished in developing a single record between VA and DoD.

Additionally, there has been very little accomplished by the Defense Center of Excellence (DCoE), which is under its fourth leader in a year. DCoE has been given generous funding by the Congress, but what has been accomplished that has actually helped our service members or their families?

Much of this could have been avoided if the Executive Secretariat Office, which had responsibility for the SOC and the Joint Executive Committee (JEC) had not been dismantled and the VA/DoD strategic plan being developed adopted. In less than a year, those responsibilities have been moved two more times under different offices, leaving much confusion and a disintegration of mission. VA leadership has also felt this deterioration of DoD leadership and have acknowledged that the level of cooperation has eroded. To make matters worse, the new approach has the VA and the DoD holding separate SOC's. Please request more information from Deputy Secretary of the VA, Mr. Gould.

We all know that we must look for efficiencies in everything we do. We realize this is a time of austerity and many of us believe more cuts can be made. Under Dr. Stanley however, if, as executives, we give input, we are marginalized or detailed. The following are a few examples of disintegration of mission, mismanagement, major inefficiencies and waste of government funds:

- Dr. Stanley has spent nearly \$86,000 per week, over \$5 million dollars at this point, in his ten months on the job for consultants from McKinsey. They were hired to complete an "environmental scan"/employee survey and assist with the strategic plan. The survey was completed in the fall of 2010 and the survey results were so damaging, Dr. Stanley refused to release the results even when asked by his cabinet members. If the survey were given again, the results would be even more damning than they were in the fall. DEOMI could have constructed an in-house survey but Dr. Stanley did not think his own staff was competent enough for the task. The DoD has spent millions on the Lean Six Sigma program to train executives yet we continue to spend millions with consultants and the strategic plan is still not complete. Additionally, the contract with McKinsey, should have been competed; there was no RFP for the multi-million dollar consulting contract.
- Asst. Secretary of Defense for Health Affairs is Dr. Woodson. His Principal Deputy is Dr. Peach Taylor. Dr. Stanley hired former Governor Dr. Baldacci as the "Health Czar". Dr. Baldacci is doing work Dr. Woodson and his staff should be doing. Now, Dr. Stanley has stood up another entire team to support the former Governor in a redundant function.
- Mr. Dick Elster, who lives in Monterey, California, was hired to review research studies even though Dr. Stanley has a Research and Strategic Integration Office headed by a political appointee. Mr. Elster does not report or commute to the Pentagon; he stays in California. Again, a redundant function by a "highly qualified expert".
- MGySgt (Master Gunney) William Mahoney was hired to "give advice" to Dr. Stanley because Dr. Stanley did not trust his cabinet members.



- No progress has been made on hiring reform or jobs for veterans – an administration priority.
- Despite the rising suicide rates among our military members, there has been minimal effort to stand up an OSD office for suicide prevention.
- Although there is an office responsible for sexual assault, there has been little focus to update the instructions or empower the office to respond to identified problems.
- Dr. Kleinman, Asst. Secretary for Readiness, is “on loan” from CNA (Center for Naval Analysis, a for profit think tank similar to RAND and IDA). He will return to CNA next month in June. His company, CNA, along with the McKinsey consultants, garnered a multimillion dollar contract from the DoD to review a department under Dr. Stanley’s purview. We think that it is a conflict of interest and an ethics violation to have the Asst. Secretary of P&R who oversees a review return to his company with a contract worth millions of dollars.
- Dr. Kleinman also oversees the Office of Diversity. No progress has been made on that front. Dr. Stanley has stated in meetings with his senior staff that his idea of diversity is “diversity of thought”! Again, with Dr. Kleinman taking the place of an experienced SES, diversity management not being his area of expertise, and his departure next month, we have not only seen a disintegration of mission but little progress made in the area of diversity. In fact, the SES that was in the position was an African-American male with many years of experience.
- Dr. Stanley created an “innovation team” which he calls his internal think tank. They visit for-profit corporations such as Google and Disney and bring back “good ideas”! This team, however, is not integrated into the Deputates and denies those leaders within his areas of responsibility the opportunity to explore opportunities and learn. Also, it is not a cost savings and they have no administrative responsibilities.

All of the above is just the tip of the iceberg. In Personnel and Readiness, efficiencies have not been realized even though Secretary Gates has made it a priority. We have wasted a lot of money and time but the only major accomplishment in Personnel and Readiness is the “Don’t Ask, Don’t Tell” policy and that was a mandate from Dr. Gates and the President. Organization restructuring has gone on for a year without finality or giving staff an indication of the direction of Personnel and Readiness. Overall, Dr. Stanley has created an atmosphere of fear and retaliation. The level of hypocrisy, disrespect and disregard for employees who have given their entire professional lives to their country is one that we have never seen before in any administration – Democratic or Republican. Most of the executives in P&R have been civil servants for 20, 30, or 40 years and are very familiar with reorganization with new administrations. But reorganization should be done with respect and dignity. Reviews occur, discussed with senior leaders and then changes are made; not change for change sake.

We know all of this information is overwhelming because it appears incredulous. Please, check the facts. Ask questions, request a copy of the McKinsey report and employee survey, request an accounting of all the funds spent on consultants, have a hearing with Dr. Stanley; better yet, request a hearing with the 24 SESs. We don't know if any of them will speak with you or share their experiences with you, but it would not hurt to try and contact them. Thank you for your time and we hope, attention to these grave concerns.

Respectfully,

Concerned Civil Servant Leaders